

# Joint Light Tactical Vehicle (JLTV): Background and Issues for Congress

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## Summary

The Joint Light Tactical Vehicle (JLTV) is being developed by the Army and the Marine Corps as a successor to the High Mobility, Multi-Wheeled Vehicle (HMMWV), which has been in service since 1985. On October 28, 2008, awards were made for the JLTV Technology Development (TD) Phase to three industry teams: (1) BAE Systems, (2) the team of Lockheed Martin and General Tactical Vehicle, and (3) AM General and General Dynamics Land Systems.

On January 26, 2012, the Army issued the Request for Proposal (RFP) for the JLTV's EMD phase. Up to three EMD contracts could have been awarded, and contract award was scheduled for June 2012. The period of performance for EMD contracts was 27 months, with the overall EMD phase scheduled to last 33 months. Vendors would be required to provide 22 JLTV prototypes for testing 12 months after contract award. The target cost for the base vehicle is \$250,000 excluding add-on armor and other kits.

On August 22, 2012, the Army announced the award of three firm-fixed price JLTV EMD contracts totaling approximately \$185 million. The three companies awarded the EMD contracts were AM General, LLC (South Bend, IN); Lockheed Martin Corporation (Grand Prairie, TX); and Oshkosh Corporation (Oshkosh, WI).

On September 3, 2013, the Army began JLTV testing at Aberdeen Proving Grounds, MD; Yuma, AZ; and Redstone Arsenal, AL. The Army planned to select a single vendor by 2015, with the first Army brigade being equipped with JLTVs by 2018. FY2015 program plans anticipated a Milestone C (Production and Deployment Phase Approval) decision in the fourth quarter of FY2015, followed by Low Rate Initial Production (LRIP).

In June 2014, the Army issued a draft RFP for the JLTV Full-Rate Production Phase. The Secretary of Defense conducted an interim review of the JLTV program and found it is likely to meet all eight key performance parameters. Three companies who were picked in 2012 to build prototypes—Oshkosh, Lockheed Martin, and AM General—submitted their bids for the LRIP contract by the February 10, 2015 deadline.

On August 25, 2015, it was announced the Army had awarded Oshkosh a \$6.7 billion low rate initial production (LRIP) contract with eight options to procure the initial 16,901 vehicles for the Army and Marines. The JLTV is to be produced in Oshkosh, WI, and deliveries are scheduled to begin in June 2016.

On September 8, 2015, it was reported Lockheed Martin would file a protest with GAO, but AM General reportedly did not file a protest with GAO. On December 15, 2015, GAO closed Lockheed Martin's protest "without further action."

According to DOD's 2016 Selected Acquisition Report (SAR), the JLTV program cost estimate decreased by over 19%, or about \$5.9 billion, due to revised estimates of vehicle unit costs and installation kits.

The President's FY2017 budget request calls for \$735.4 million for Army and Marine RDT&E and Procurement funding for the JLTV. The Army plans to produce 1,828 JLTVs in FY2017, and the Marines plan for 192 JLTVs in FY2017, which is 77 fewer vehicles than originally programmed. The House and Senate recommended fully funding the Army and Marine's FY2017 JLTV RDT&E budget requests.

Potential issues for Congress include Service-specific fielding plans for the JLTV and how the Marines plan to meet their 5,500 JLTV objective.

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## Background<sup>1</sup>

The JLTV is an Army-led, multi-service initiative to develop a family of future light tactical vehicles to replace many of the High Mobility, Multi-Wheeled Vehicle (HMMWVs) used by the armed services today. HMMWVs, which first entered service in 1985, were developed during the Cold War when improvised explosive devices (IEDs) and other anti-vehicle explosive devices were not a major factor in military planning. The HMMWV's demonstrated vulnerability to IEDs and the difficulties and costs experienced in "up-armoring" HMMWVs already in the inventory have led to renewed emphasis on vehicle survivability. DOD officials have emphasized that JLTVs are not intended to replace HMMWVs "one for one."<sup>2</sup>

## JLTV Program

### What Is the JLTV?<sup>3</sup>

The JLTV program is a joint Army/Marine Corps effort to develop and produce both vehicles and associated trailers. Originally, there were three variants, but now there are two JLTV variants: a four-passenger Combat Tactical Vehicle (CTV) and a two-passenger Combat Support Vehicle (CSV). As planned, JLTVs would be more mechanically reliable, maintainable (with on-board diagnostics), all-terrain mobile, and equipped to link into current and future tactical data nets. Survivability and strategic and operational transportability by ship and aircraft are also key JLTV design requirements.

### Program Structure<sup>4</sup>

The JLTV is an Acquisition Category (ACAT) 1D program.<sup>5</sup> The Army bears the overall responsibility for developing the JLTV through its Joint Program Office, which reports to the Program Executive Office (PEO) for Combat Support & Combat Service Support (PEO CS&CSS) in Warren, MI, which reports to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA[AL&T]). Marine participation is centered on a program office under the supervision of the Program Executive Officer Land Systems (PEO LS) Marine Corps at Quantico, VA.

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<sup>1</sup> Alan L. Gropman, "Combat Vehicle Sector Could be Headed for Turbulent Times," *National Defense*, April 25, 2008, and James P. Miller, "Race is On to Replace Humvee," *Chicago Tribune*, June 21, 2008.

<sup>2</sup> Kris Osborn, "DOD's JLTV Becoming an International Effort," *Defense News*, August 4, 2008. Headquarters, Department of the Army, "Army Truck Program (Tactical Wheeled Vehicle Acquisition Strategy) Report to the Congress," June 2010, p. 5.

<sup>3</sup> Information in this section is taken from the Army Product Manager, Joint Light Tactical Vehicle website, <http://peocscss.tacom.army.mil/pmJLTV.html>, last visited March 2, 2011, and Marine Corps PEO Land Systems Joint Light Tactical Vehicle website, <http://www.marcorsyscom.usmc.mil/peolandssystems/jltv.aspx>, last visited March 2, 2011, and Tony Bertuca, "PMs: JLTV Still Too Heavy, Changing Schedule and Losing Six-Man Variant," *InsideDefense.com*, February 11, 2011.

<sup>4</sup> CRS Report RL34026, *Defense Acquisitions: How DOD Acquires Weapon Systems and Recent Efforts to Reform the Process*, by Moshe Schwartz, provides an extensive discussion of the defense acquisition process.

<sup>5</sup> The 12<sup>th</sup> Edition of the *Defense Acquisition University Glossary*, July 2005, defines an ACAT 1D program as "a Major Defense Acquisition Program (MDAP) which is estimated by the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)) to require the eventual expenditure for Research, Development, Test, and Evaluation (RDT&E) of more than \$365 million (FY2000 constant dollars) or the procurement of more than \$2.19 billion (FY2000 constant dollars)."

## Early Program History

In November 2006, the Joint Chief of Staff's Joint Requirement Oversight Council (JROC) approved the JLTV program. On December 22, 2007, the Under Secretary of Defense for Acquisition, Technology, and Logistics USD (AT&L) signed an Acquisition Decision Memorandum (ADM) directing the JLTV Program to move from the Concept Refinement Phase into the Technology Development (TD) Phase of the DOD System Acquisition Process. The Army and Marines had intended to issue a Request for Proposal (RFP) for Technology Development Phase as early as October 2007. Concerned with funding adequacy, technical maturity, and shifting requirements, the Pentagon's acquisition executive, John Young, disapproved the issuance of the RFP and directed the Army and Marines to "go back to the drawing board and develop a robust technology development phase."<sup>6</sup> On February 5, 2008, an RFP for Technology Development Phase was issued to industry.<sup>7</sup> The RFP stated the government desired to award three contracts for the JLTV Technology Development Phase. The RFP stipulated that proposals would be due April 7, 2008, and the TD Phase would last 27 months. Contractors would build four test sub-configurations during the first 15 months, followed by 12 months of testing.

## Technology Development Contracts Awarded<sup>8</sup>

On October 28, 2008, three awards were made for the JLTV TD Phase for a total of \$166 million. The three industry teams were (1) BAE Systems Land and Armaments, Ground Systems Division, Santa Clara, CA, and NAVISTAR Defense, Warrenville, IL; (2) General Tactical Vehicles, Sterling Heights, MI—a joint venture between General Dynamics Land Systems and AM General; and (3) Lockheed Martin Systems Integration, Oswego, NY, BAE Systems, Alcoa Defense, Pittsburgh, PA, and JWF Defense Systems, Johnstown, PA.

## JLTV Contracts Protested

On November 7 and November 12, 2008, protests were filed with the Government Accountability Office (GAO) against the TD contract awards by the Northrop Grumman-Oshkosh team and the Textron-Boeing-SAIC team alleging there were "unintended discrepancies" in how the government rated bids in terms of the criteria of systems maturity, logistics, and costs.<sup>9</sup> As a result of the protest, work on the JLTV program by the three winning teams was suspended. On February 17, 2009, GAO rejected the JLTV protests and the stop-work orders were lifted.

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<sup>6</sup> Jason Sherman, "Pentagon Halts JLTV Competition, Directs Revised Strategy," *InsideDefense.com*, September 24, 2007.

<sup>7</sup> JLTV Request for Proposal, W56HZV-08-R-0210, February 5, 2008, and Marjorie Censer, "JLTV Solicitation Calls for Three Contractors: Officials Say More are Possible," *InsideDefense.com*, February 5, 2008.

<sup>8</sup> Unless otherwise noted, information in this section is taken from TACOM's JLTV Program website, <http://contracting.tacom.army.mil/MAJORSYS/JLTV/jltv.htm>, accessed March 2, 2011, and the Marine Corps PEO Land Systems JLTV website, <https://www.marcorsyscom.usmc.mil/peolandsystems/jltv.aspx>, accessed March 2, 2011.

<sup>9</sup> Marjorie Censer, "Following Northrop's Lead, Boeing-Textron Team Files JLTV Protest," *InsideDefense.com*, November 12, 2008 and Ann Roosevelt, "Textron-Team Protests Army JLTV Awards," *Defense Daily*, November 13, 2008; and Daniel Wasserbly, "U.S. GAO Rejects JLTV Protests," *Jane's Defence Weekly*, February 25, 2009, p. 12.

## **Change in Requirements, Program Schedule, and Variants<sup>10</sup>**

In February 2011, the JLTV Program Office announced the award of the EMD contract would be delayed until January or February 2012 because the Army changed requirements for the JLTV to have the same level of under body protection as the Mine-Resistant, Ambush-Protected All-Terrain Vehicle (M-ATV). DOD had planned to award two contracts for the EMD phase, which was scheduled to last 24 months,<sup>11</sup> but instead opted for a 48-month-long EMD phase before awarding Production and Deployment contracts in the second quarter of FY2016. In addition, the Category B variant was eliminated because it proved to be too heavy to meet the required weight of approximately 15,639 pounds to make it transportable by Army CH-47F and Marine Corps CH-53K helicopters. Now there will be two variants—a Combat Tactical Vehicle (CTV), which can transport four passengers and carry 3,500 pounds, and a Combat Support Vehicle (CSV), which can transport two passengers and carry 5,100 pounds.

## **Army Issues RFP for EMD Phase<sup>12</sup>**

On January 26, 2012, the Army issued the RFP for the JLTV's EMD Phase. Industry proposals for the EMD contract were to have been filed with the Army by March 13, 2012. The RFP stipulated that up to three EMD contracts could be awarded, and contract award occurred in June 2012. These contracts would be capped at \$65 million per contract. The duration of the EMD performance period would be 27 months starting with contract award. Vendors would be required to provide 22 prototypes for testing 12 months after contract award, and the target cost for the base vehicle configuration was \$250,000 (FY2011 constant dollars), excluding add-on armor kits and other kits identified in the RFP.

## **Current Acquisition Quantities and Program Costs<sup>13</sup>**

According to the Government Accountability Agency's (GAO's) March 2016 *Assessments of Major Weapons Programs*, for a JLTV procurement quantity of 54,408 vehicles, GAO estimates that a total of \$23 billion would be required to complete the program, including \$210 million for RDT&E and \$22.8 billion for Procurement.

## **Potential for Foreign Military Sales (FMS)**

Industry representatives from Oshkosh reportedly suggest that JLTV availability under FMS could come sooner than under normal circumstances.<sup>14</sup> Noting that traditionally DOD does not conduct FMS until after a full rate production decision, Oshkosh suggested this practice could be modified for a mature platform such as the JLTV. In this case, Oshkosh could begin limited early foreign production in conjunction with LRIP, and potential international partners interested in

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<sup>10</sup> Information in this section, unless otherwise noted is taken from a briefing from the Project Manager Joint Combat Support Systems on the Joint Light Tactical Vehicle given on February 7 and 8, 2011 and Tony Bertuca, "PMs: JLTV Still Too Heavy, Changing Schedule and Losing Six-Man Variant," *InsideDefense.com*, February 11, 2011.

<sup>11</sup> DOD Briefing: "JLTV EMD Industry Day," April 26, 2010.

<sup>12</sup> Solicitation, Offer, and Award, Number W56HZV-11-R-0329, U.S. Army Contracting Command, January 26, 2012.

<sup>13</sup> Government Accountability Office (GAO): Defense Acquisitions: Assessments of Selected Weapon Programs, GAO-16-329SP, March 2016, pp. 165-166.

<sup>14</sup> Andrew Chuter, "Oshkosh Defense Chief: JLTV Production Line Prepped for Global Demand," *Defense News*, June 14, 2016.



JLTV FMS could begin to formulate their procurement strategy with DOD and Oshkosh earlier than normal.

Reportedly, the Pentagon and the United Kingdom (U.K.) have recently discussed the FMS options for the JLTV.<sup>15</sup> If approved, JLTV would reportedly be acquired as part of the U.K. Ministry of Defense's Multi-Role Vehicle-Protected (MRV-P) program, where package one of the program would acquire a small variant for carrying troops and performing light duties; package two, a larger variant for carrying troops and for a battlefield ambulance; and package three, a light protected recovery vehicle.

## **Contract-Related Program Activities**

### **JLTV EMD Contracts Awarded**

On August 22, 2012, the Army announced the award of three firm-fixed price JLTV EMD contracts totaling approximately \$185 million.<sup>16</sup> The three companies awarded the EMD contracts were AM General, LLC (South Bend, IN); Lockheed Martin Corporation (Grand Prairie, TX); and Oshkosh Corporation (Oshkosh, WI). The period of performance was for 27 months, with each contractor receiving initial funding between \$28 million to \$36 million per contractor, with the balance of funding up to the full contract amount being provided in FY2013 and FY2014. In 12 months, each team was required to deliver 22 full-up prototypes and contractor support for a 14-month comprehensive government testing program, which included blast, automotive, and user evaluation testing. The overall EMD Phase was scheduled to last 33 months. According to the Army, "the EMD Phase is designed to test and prepare the next-generation vehicles for a Limited User Test, Capabilities Production Document and Milestone C procurement decision in FY 2015."<sup>17</sup>

Unsuccessful bidders, Navistar Defense, BAE Systems, and General Tactical Vehicles (a team of General Dynamics and AM General), were permitted to continue developing JLTV candidate vehicles at their own risk and expense, if they notify the government within 30 days of the EMD contract award.<sup>18</sup> Reports suggest some bidders might consider continuing development of JLTV candidates for submission for production source selection.<sup>19</sup>

### **Army Releases Final RFP for JLTV Full-Rate Production<sup>20</sup>**

On December 12, 2014, the Army reportedly released the final RFP for JLTV low-rate initial production and full-rate production and gave competitors until February 10, 2016, to refine and

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<sup>15</sup> Information in this section is from "JLTV May See First Export to UK in FMS," *Defense Industry Daily*, June 23, 2016.

<sup>16</sup> Information in this section is from U.S. Army Message, "Army Awards Three Joint Light Tactical Vehicle Engineering & Manufacturing Development Phase Contracts," Warren, Michigan, August 22, 2012.

<sup>17</sup> Kris Osborn, Office of the Secretary of the Army for Acquisition, Logistics, and Technology, "JLTV Program Moves into EMD Phase," *Army News Service*, October 18, 2012.

<sup>18</sup> Tony Bertuca, "Three JLTV Winners Announced; Loosing Companies Still May Have a Shot," *InsideDefense.com*, August 23, 2012.

<sup>19</sup> *Ibid.*

<sup>20</sup> Information in this section is taken from Megan Eckstein, "Army Releases Final RFP for JLTV; Bids Due Feb. 10," *Defense Daily*, December 15, 2014.



submit their bids. The Army—on behalf of itself and the Marines—planned to select a winner and issue a single contract award in the late summer of 2015.

The winning contractor would build approximately 17,000 JLTVs for the Army and Marines during three years of low-rate initial production, followed by five years of full-rate production. The first Army unit would be equipped with JLTVs in FY2018, and the Army's complete acquisition of JLTVs would be completed in 2040. The Marines would begin acquiring their 5,500 JLTVs at the beginning of production and would be completed by FY2022.

### **Bids Submitted for JLTV Low-Rate Initial Production (LRIP)<sup>21</sup>**

It was reported that the three companies who were picked in 2012 to build prototypes—Oshkosh, Lockheed Martin, and AM General—submitted their bids for the LRIP contract by the February 10, 2015, deadline. It was also reported that none of the three competitors have said publicly if they included in their proposals an option for the Army to purchase a technical data package for their vehicles. If the Army acquired the technical data package, theoretically the Army could use that data for future production runs, which could enhance competition and possibly result in better prices for the government.

### **Army Awards JLTV Contract<sup>22</sup>**

On August 25, 2015, it was announced the Army had awarded Oshkosh a \$6.7 billion low rate initial production (LRIP) contract with eight options to procure the initial 16,901 vehicles for the Army and Marines. The JLTV are to be produced in Oshkosh, WI, and deliveries were scheduled to begin in June 2016.<sup>23</sup> A full rate production decision is planned for FY2018, and plans call for the production of 49,100 JLTVs for the Army and 5,500 for the Marine Corps.

### **Lockheed Martin's JLTV Protest**

#### **Lockheed Martin Files Protest with the Government Accountability Office (GAO)<sup>24</sup>**

On September 8, 2015, it was reported Lockheed Martin planned a protest with GAO, with a program spokesman stating:

After evaluating the data provided at our debrief, Lockheed Martin has filed a protest of the award decision on the JLTV program. We firmly believe we offered the most capable and affordable solution for the program. Lockheed Martin does not take protests lightly, but we are protesting to address our concerns regarding the evaluation of Lockheed Martin's offer.<sup>25</sup>

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<sup>21</sup> Information in this section is taken from Sebastian Sprenger, "Companies Submit Bids for Joint Light Tactical Vehicle," *InsideDefense.com*, February 10, 2015.

<sup>22</sup> Joe Gould, "Oshkosh Wins JLTV Award," *Defense News*, August 25, 2015.

<sup>23</sup> Deliveries are now expected in October 2016, due to Lockheed Martin contract protest. See Courtney McBride, "Oshkosh Receives JLTV Order," *InsideDefense.com*, March 23, 2016.

<sup>24</sup> Lee Hudson and Justin Doubleday, "Lockheed To File GAO Bid Protest After Losing JLTV Contract," *InsideDefense.com*, September 9, 2015.

<sup>25</sup> Ibid.

The formal protest was later filed with GAO on September 10, 2015. Under the Federal Acquisition Regulation (FAR), all losing bidders of government contracts have the ability to protest contract awards to GAO lawyers if they believe their offer did not get fair consideration during source-selection proceedings.

AM General reportedly did not file a protest with the GAO, stating a decision to do so “would result in a distraction from the company’s current growth business areas,”<sup>26</sup> which likely is a reference to the ongoing role the company plays in the upgrading and modernization of the HMMWV fleet of vehicles.

### **Army Stops Work on the JLTV Contract<sup>27</sup>**

On September 10, 2015, the Army reportedly issued a stop-work order to Oshkosh, with a GAO spokesman noting, “the Federal Acquisition Regulation requires contracting officers to automatically suspend performance on an awarded contract, following appropriate notification of a protest from GAO.”<sup>28</sup>

### **GAO Closes Protest and Lockheed Martin Files Claim with the United States Court of Federal Claims<sup>29</sup>**

On December 11, 2015, Lockheed Martin informed GAO that it would file its JLTV protest instead with the United States Court of Federal Claims, and on December 15, 2015, GAO closed Lockheed Martin’s protest “without further action.” With the GAO protest dismissed, the Army lifted its stop-work order to Oshkosh on December 15, 2015.

### **United States Court of Federal Claims Denies Lockheed Martin’s Stop-Work Request<sup>30</sup>**

It was reported the United States Court of Federal Claims denied Lockheed Martin’s stop-work request on February 11, 2016, meaning Oshkosh may continue work associated with the JLTV contract until the court resolves the contract award dispute.

### **Lockheed Martin Withdraws JLTV Protest from United States Court of Federal Claims<sup>31</sup>**

On February 17, 2016, Lockheed Martin reportedly withdrew its JLTV protest in the U.S. Court of Federal Claims.

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<sup>26</sup> Ibid.

<sup>27</sup> Sebastian Sprenger, “Newly Awarded JLTV Work Comes To A Halt Amid Auditors’ Review,” *InsideDefense.com*, September 10, 2015.

<sup>28</sup> Ibid.

<sup>29</sup> Sebastian Sprenger, “New Lockheed Suit Means JLTV Protest remains Undecided for Now,” *InsideDefense.com*, December 16, 2015 and United States Government Accountability Office (GAO) Decision on the Matter of Lockheed Martin Corporation, December 15, 2015.

<sup>30</sup> Sebastian Sprenger, “Lockheed Martin Loses JLTV Stop-Work Request,” *InsideDefense.com*, February 12, 2016.

<sup>31</sup> Jen Judson, “Lockheed Withdraws JLTV Complaint with U.S. Federal Court,” *Defense News*, February 17, 2016.

## **Director, Operational Test and Evaluation (DOT&E)<sup>32</sup> 2015 Annual Report<sup>33</sup>**

DOT&E's 2015 Annual Report provided additional information that likely informed the government's decision to award the JLTV contract to Oshkosh instead of Lockheed Martin or AM General. Information from this report included the following observations:

Based on the Limited user Test (LUT), the JLTV Family of Vehicles (FoV) provides enhanced protection and retains the up-armored HMMWV (UAH) FoV capabilities necessary for Army and Marine units to accomplish tactical and combat missions.

- Platoons equipped with the Oshkosh JLTVs accomplished 15 out of 24 missions similar to the platoon equipped with the UAHs.

- Platoons equipped with the AM General JLTVs accomplished 13 out of 24 missions. - Platoons equipped with the Lockheed Martin JLTVs accomplished 12 out of 24 missions

- . - The majority of failed platoon missions were attributed to combat losses for Oshkosh and Lockheed Martin JLTVs.

- Platoons equipped with the AM General JLTVs and the UAHs experienced less combat losses against the Opposing Force during missions.

- Platoons equipped with AM General JLTVs experienced reliability failures on nine missions that slowed the unit's pace and degraded mission performance.

Oshkosh JLTVs had improved mission reliability over the UAH and demonstrated 7,051 Mean Miles Between Operational Mission Failure (MMBOMF) versus its operational requirement of 2,400 MMBOMF. The UAH demonstrated 2,968 MMBOMF.

- AM General JLTVs had less mission reliability versus the UAH and demonstrated 526 MMBOMF.

- Lockheed Martin JLTVs had less mission reliability versus the UAH and demonstrated 1,271 MMBOMF.<sup>34</sup>

## **JLTV LRIP Production Begins<sup>35</sup>**

On March 22, 2016, the Army reportedly placed a \$243 million order with Oshkosh Defense to build 657 JLTVs, as well as 2,977 installation kits and related vehicle support LRIP items. The Army now expects the first JLTV delivery to be in October 2016.

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<sup>32</sup> "The Director, Operational Test & Evaluation (DOT&E) is the principal staff assistant and senior advisor to the Secretary of Defense (SecDef) on operational test and evaluation (OT&E) in the Department of Defense (DoD). DOT&E is responsible for issuing DoD OT&E policy and procedures; reviewing and analyzing the results of OT&E conducted for each major DoD acquisition program; providing independent assessments to SecDef, the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)), and Congress; making budgetary and financial recommendations to the SecDef regarding OT&E; and overseeing major DoD acquisition programs to ensure OT&E is adequate to confirm operational effectiveness and suitability of the defense system in combat use." <http://www.dote.osd.mil/about/mission.html>.

<sup>33</sup> Director, Operational Test and Evaluation FY2015 Annual Report, January 2016, pp. 125-127 and Lee Hudson, "New Report Reveals Additional Information on JLTV Downselect," *InsideDefense.com*, February 1, 2016.

<sup>34</sup> Director, Operational Test and Evaluation FY2015 Annual Report, January 2016, pp. 125-127.

<sup>35</sup> Information in this section is taken from Dan Parsons, "Army Cuts Oshkosh \$243 Million Check for First JLTV Production Lot," *Defense Daily*, March 24, 2016 and Courtney McBride, "Oshkosh Receives JLTV Order," *InsideDefense.com*, March 23, 2016..

## **Army JLTV Program Cost Estimate Decreases<sup>36</sup>**

According to DOD's 2016 Selected Acquisition Report (SAR), the JLTV program cost estimate decreased by over 19%, or about \$5.9 billion, due to revised estimates of vehicle unit costs and installation kits. Based on these projected savings, Army officials reportedly suggest instead of finishing fielding in the early 2040 timeframe, fielding could be accomplished by the mid-2030s.<sup>37</sup>

## **Delay in JLTV Initial Operating Capability (IOC)<sup>38</sup>**

Primarily due to program disruption resulting from the Lockheed Martin protest, the JLTV will not reach IOC in mid-2019 as originally planned. Instead, the Army anticipates a six-month delay in IOC until the end of 2019, and the Marine Corps IOC, originally expected for the fourth quarter of FY2018, will now be a year later in the first quarter of FY2020. While these delays are significantly longer than the protest period, officials from both services noted that their respected IOCs were adjusted to reflect delays in scheduled testing.

## **Army Selects JLTV to Serve as Its Light Reconnaissance Vehicle (LRV)<sup>39</sup>**

The Army has reportedly decided to use the JLTV as the platform for its upcoming Light Reconnaissance Vehicle (LRV) program, instead of procuring a new system. Army officials note the JLTV is an interim solution, largely based on costs associated with developing a new system, and in the future, the Army could opt to pursue an original design for its LRV. It is not known if additional JLTVs will need to be acquired under the Army's JLTV contract to meet LRV requirements.

## **Budgetary Issues**

### **FY2017 President's Budget Request<sup>40</sup>**

The President's FY2017 budget request for the JLTV is as follows:

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<sup>36</sup> Information in this section is from Department of Defense Selected Acquisitions Reports (SARs), March 24, 2016 and Jen Judson, "JLTV Program Cost Estimate Drops by \$6 Billion," *Defense News*, March 24, 2016.

<sup>37</sup> Jen Judson, "JLTV Savings Could Speed Up Fielding for US Army," *Defense News*, March 15, 2016.

<sup>38</sup> Information in this section is from Jen Judson, "Humvee Replacement Delayed for Army and Marine Corps," *Defense News*, April 13, 2016.

<sup>39</sup> Information in this section is taken from Stew Magnuson, "Army Selects JLTV Truck for Light Recon Vehicle Program," *National Defense*, May 11, 2016.

<sup>40</sup> Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, United States Department of Defense Fiscal Year 2016 Budget Request, Program Acquisition Cost by Weapon System, February 2015, p. 3-2.

**Table 1. FY2017 JLTV Budget Request**

<b>FY2017</b>	<b>\$ Millions</b>	<b>Quantity</b>
RDT&E—Army	11.5	—
RDT&E—Marines	23.2	—
Procurement—Army	587.5	1,828
Procurement—Marines	113.2	192
<b>Total</b>	<b>735.4</b>	<b>2,020</b>

**Source:** Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, United States Department of Defense Fiscal Year 2017 Budget Request, Program Acquisition Cost by Weapon System, February 2016, p. 3-2.

## **Marines Reduce FY2017 JLTV Acquisition by 77 Vehicles<sup>41</sup>**

The Marine's previous acquisition request for FY2017—269 vehicles—was reduced by 77 vehicles to 192 vehicles in the Marine's FY2017 budget request. The Commandant of the Marine Corps, General Robert Neller, stated this was necessary in order to provide funding for the Amphibious Combat Vehicle (ACV)<sup>42</sup> and the Ground/Air Task Oriented Radar (GATOR). General Neller also noted the Marines would acquire 5,500 JLTVs as originally planned.

## **FY2017 National Defense Authorization Act (NDAA)<sup>43</sup>**

The House and Senate recommended fully funding the Army and Marine's FY2017 JLTV RDT&E budget requests.

# **Potential Issues for Congress**

## **Fielding Plan for JLTVs**

A review of the Service's Tactical Wheeled Vehicle Strategies provides little information on how the Army and Marines plan to field JLTVs to operational units. Congress might wish to review the Service's fielding plans to insure that units involved in operations have access to JLTVs. In the Army's case, how many JLTVs the Army plans to procure to meet their LRV requirements might also be of interest to Congress. Another issue that Congress might want to examine is the fielding breakdown between Active and Reserve Component units in both services.

## **Marines' Acquisition Plans to Reach Their 5,500-Vehicle Objective**

As previously noted, the Marines will be acquiring 77 fewer JLTVs in FY2017 than previously programmed. Congress might decide to ask the Marines to provide details on how they plan to

<sup>41</sup> Megan Eckstein, "USMC Commandant Neller: Marines Made Cuts in FY2017 JLTV Buy to save ACV, G/ATOR," United States Naval Institute (USNI) News, February 11, 2016.

<sup>42</sup> For additional information on the ACV, see CRS Report R42723, *Marine Corps Amphibious Combat Vehicle (ACV) and Marine Personnel Carrier (MPC): Background and Issues for Congress*, by Andrew Feickert.

<sup>43</sup> H.R. 4909, National Defense Authorization Act for Fiscal Year 2017, May 26, 2016, p. 477 and p. 483.

acquire the 77 deferred JLTVs, how much this deferment will increase program costs, and how acquiring 77 fewer JLTVs in FY2017 will affect Marine Corps readiness and capabilities.

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